

---

# American Health Care Act Impacts on Vermont

Testimony to House Health Care Committee  
March 22, 2017

Mary Kate Mohlman, Director of Health Care Reform  
Cory Gustafson, Commissioner of Department of Vermont  
Health Access

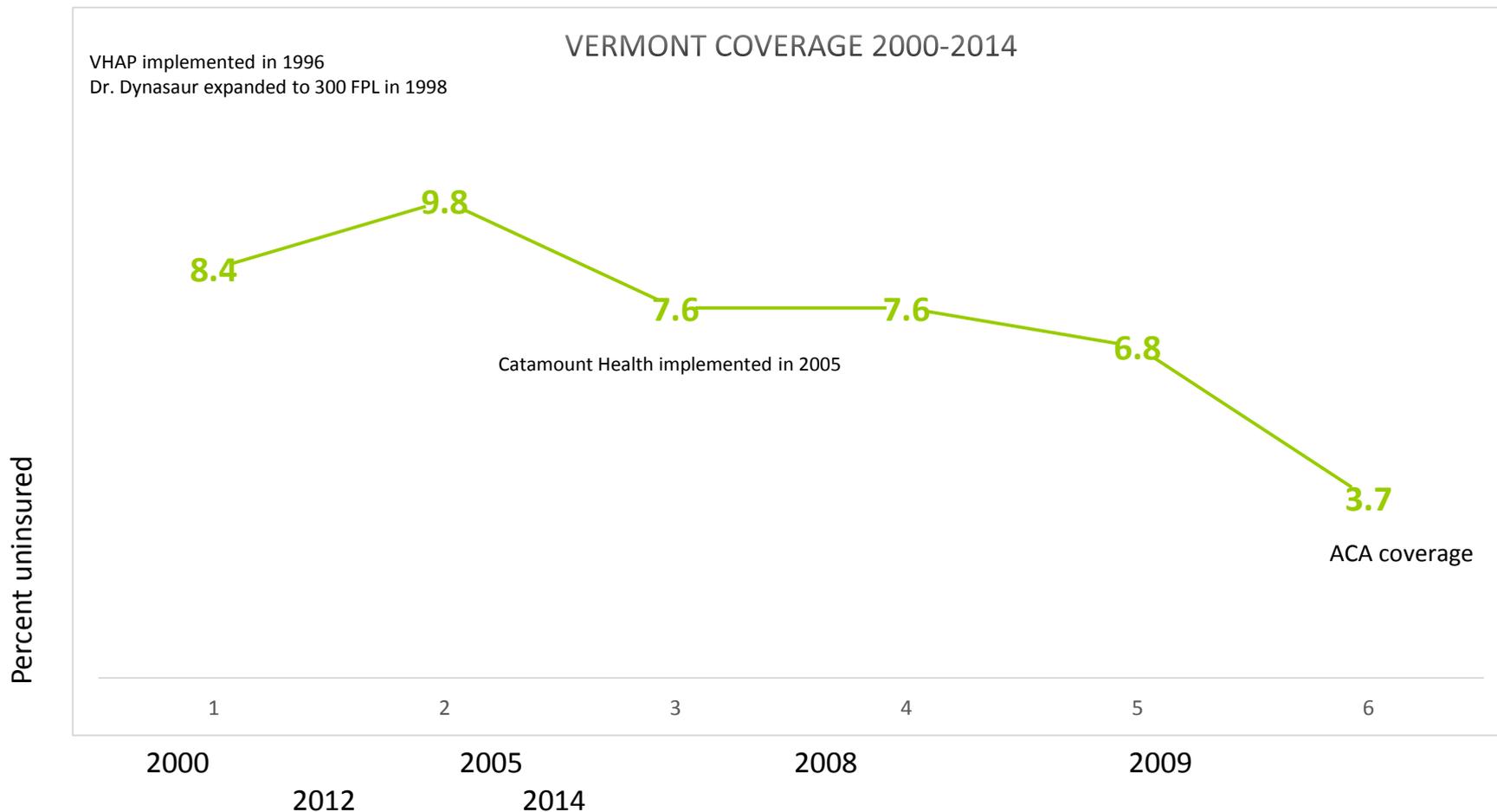
# Vermont's Principles

- Will it protect Vermont's most vulnerable?
- Will it make Vermont more or less affordable?
- Will it improve our economy?
- Do proposals impact the following:
  - **Coverage:** Vermont expanded coverage prior to the ACA and under the ACA, and we are committed to maintaining our coverage moving forward.
  - **Delivery Reform:** Vermont is committed to delivery and payment reform
  - **Flexibility:** Vermont has significant flexibility under its Global Commitment 1115 Waiver
  - **Informed Decision-Making:** Do we have enough information to assess effects

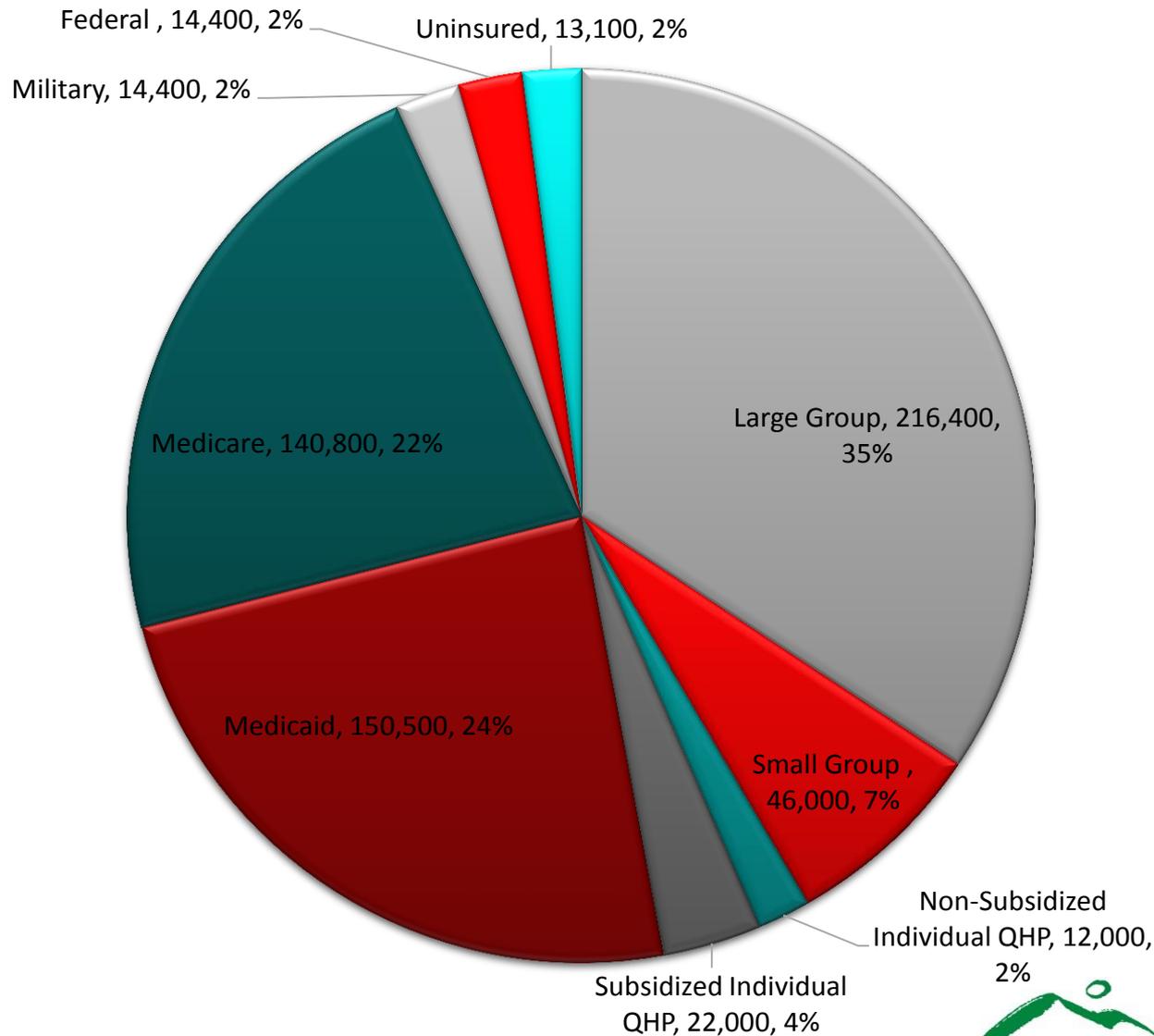
# How the ACA has impacted Vermont

- Coverage: The ACA has enabled Vermont to increase coverage. Prior to the ACA, we had a 6.8% uninsured rate. With the implementation of the ACA, we have a 3.7% uninsured rate. This means that 18,000 to 20,000 more Vermonters have insurance coverage.
- Financial support: The ACA provided premium tax credits for Vermonters up to 400% FPL.
  - In the aggregate, \$90-\$100 million helps Vermonters annually.
- Additional federal funds to Vermont.
  - The Medicaid expansion component of the ACA has provides significant resources to Vermont - \$86m in annual federal funds. This enables us to take care of Vermonters while also meeting our payment and delivery system reform goals.
  - Funds to support the Exchange IT development.
- Local control and innovation: The ACA, through the Center for Medicare and Medicaid Innovation has supported Vermont's payment and delivery system reforms and align health care services across payers.

# Vermont Insurance Coverage



# Vermont Insurance Coverage



# American Health Care Act: Impact on Medicaid

## Per Capita Funding Mechanism:

- Federal funding reduction: Proposed changes could reduce federal Medicaid funding for Vermont by \$200 million per year. This includes reductions related to Medicaid expansion, potential caps, Planned Parenthood.

## Eligibility:

- Gaining or maintaining coverage would be more difficult: Eliminates presumptive eligibility, retroactive coverage, and post-enrollment reasonable opportunity period for citizenship/immigration status verification.

Changes could also result in higher commercial premiums because commercial payers are paying more to make up for the reduction in Medicaid.

# American Health Care Act: Impact on Premium Tax Credits

## How Federal Tax Credits Might Shift for Vermonters Based on Income and Age Projected reduction in total tax credits: \$10-\$20M

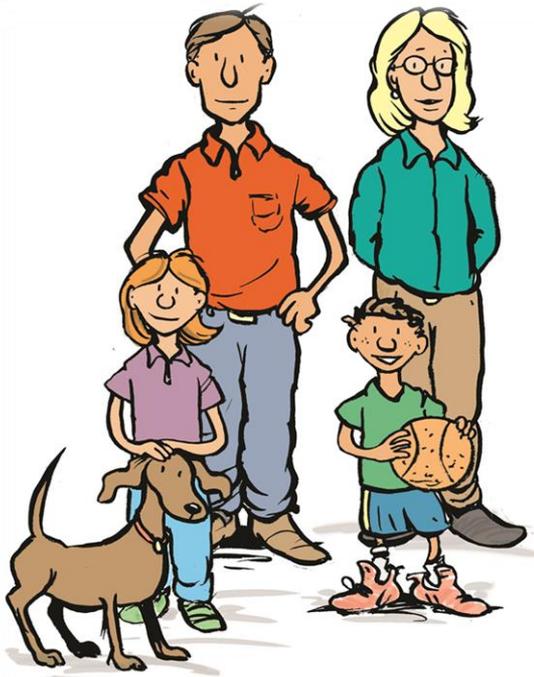


■ Affordable Care Act    ■ American Health Care Act

--- Gross Annual Premium, Most Popular Silver Plan

Based on 2017 data

# Tax Credit Impact: Median Income Individual-27 year old



Family Income: \$25,305

Total Cost for Health Care: \$7,529.60

Current ACA Subsidy: -\$4,534.40

AHCA Proposed Subsidy: -\$2,000

Cost with Current ACA Subsidy: \$2,995.20

- Adult subsidized on VHC

Cost with AHCA Proposed Subsidy:  
\$5,529.60

# Tax Credit Impact: Median 2-person Household

Family Income: \$37,144

Total Cost for Health Care: \$15,787.20

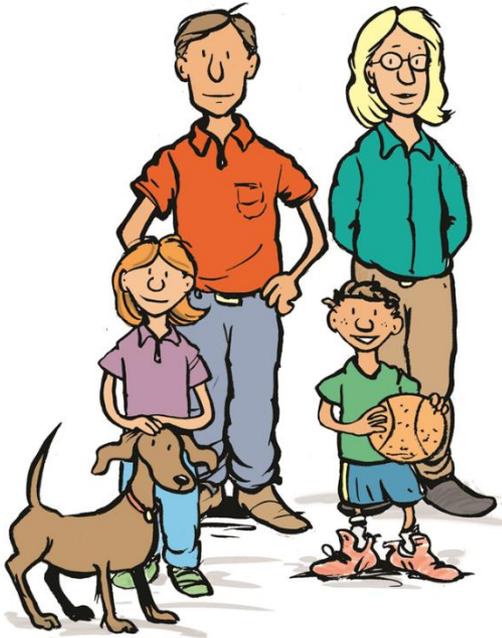
Current ACA Subsidy: -\$9,547.20

AHCA Proposed subsidy: -\$6,000

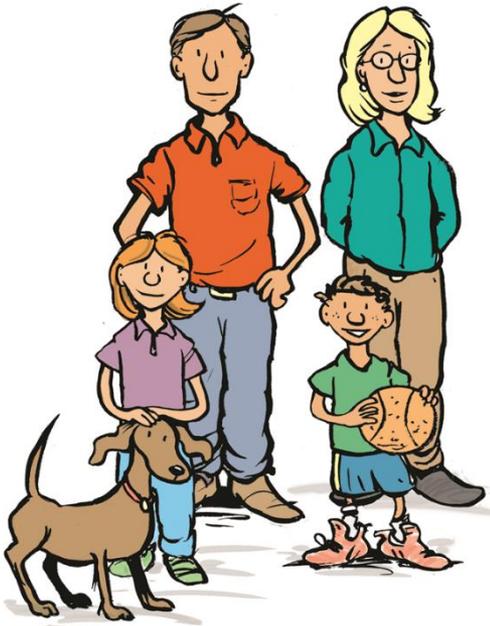
Cost with ACA Subsidy: \$6,240

- Adults subsidized on VHC

Cost with AHCA Proposed Subsidy:  
\$9,787.20



# Tax Credit Impact: Family of 4



Family Income: \$51,020

Total Cost for Health Care: \$14,060.80

Current ACA Subsidy: -\$9,110.40

AHCA Proposed Subsidy: -\$5,000

Cost with Current ACA Subsidy: \$4,950.40

- Adults subsidized on VHC
- Children covered by Dr. Dynasaur

Cost with AHCA Proposed Subsidy:  
\$9,060.80